

UNITED STATES DEPARTMENT OF JUSTICE
WASHINGTON, D.C. 20530

RECEIVED
DEPARTMENT OF JUSTICE
MAY 21 4 33 PM '80
REGISTRATION UNIT
INTERNAL SECURITY
SECTION
CRIMINAL DIVISION

SUPPLEMENTAL STATEMENT

Pursuant to Section 2 of the Foreign Agents
Registration Act of 1938, as Amended

For Six Month Period Ending APR 1 1980
(Insert date)

Name of Registrant **CORPORACION DE FOMENTO
DE LA PRODUCCION** Registration No. **401**

Business Address of Registrant **One World Trade Center - Suite 5151
New York, New York 10048**

I - REGISTRANT

1. Has there been a change in the information previously furnished in connection with the following:

(a) If an individual:

(1) Residence address	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(2) Citizenship	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(3) Occupation	Yes <input type="checkbox"/>	No <input type="checkbox"/>

(b) If an organization:

(1) Name	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
(2) Ownership or control	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
(3) Branch offices	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

2. Explain fully all changes, if any, indicated in Item 1.

IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4, and 5.

3. Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

Name

Position

Date Connection
Ended

4. Have any persons become partners, officers, directors or similar officials during this 6 month reporting period? ☐ Yes ☒ No

If yes, furnish the following information:

<i>Name</i>	<i>Residence Address</i>	<i>Citizenship</i>	<i>Position</i>	<i>Date Assumed</i>
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5. Has any person named in Item 4 rendered services directly in furtherance of the interests of any foreign principal? ☐ Yes ☐ No

If yes, identify each such person and describe his services.

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6. Have any employees or individuals other than officials, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period? ☐ Yes ☒ No

If yes, furnish the following information:

<i>Name</i>	<i>Position or connection</i>	<i>Date terminated</i>
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7. During this 6 month reporting period, have any persons been hired as employees or in any other capacity by the registrant who rendered services to the registrant directly in furtherance of the interests of any foreign principal in other than a clerical or secretarial, or in a related or similar capacity? ☐ Yes ☒ No

If yes, furnish the following information:

<i>Name</i>	<i>Residence Address</i>	<i>Position or connection</i>	<i>Date connection began</i>
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II - FOREIGN PRINCIPAL

8. Has your connection with any foreign principal ended during this 6 month reporting period?

Yes ☐ No ☒

If yes, furnish the following information:

Name of foreign principal

Date of Termination

9. Have you acquired any new foreign principal¹ during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish following information:

Name and address of foreign principal

Date acquired

10. In addition to those named in Items 8 and 9, if any, list the foreign principals¹ whom you continued to represent during the 6 month reporting period.

CORPORACION DE FOMENTO DE LA PRODUCCION DE CHILE

III - ACTIVITIES

11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 8, 9, and 10 of this statement? Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail your activities and services:

CORPORACION DE FOMENTO DE LA PRODUCCION DE CHILE

We handled a) the procurement of capital goods and its shipment for enterprises under Chilean Government sponsorship and interest. The C. & F. value for this reporting period was of approximately \$13,736,847.06 representing 6,933.00 tons shipped. b) The servicing of loans under foreign credit arrangements of principal and interest, which during this period was of approximately \$92,602,000.-

¹The term "foreign principal" includes, in addition to those defined in section 1(b) of the Act, an individual or organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a)(9)).

A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those foreign principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity² as defined below?

Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

CORPORACION DE FOMENTO DE LA PRODUCCION DE CHILE through its "Chile Economic News" monthly newsletter provides information about the Chilean economy. The most frequent subjects are finance, foreign investment, agro-industrial developments and trade. Also, reproduction of statistical tabulations related to the Chilean economy.

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13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits any or all of your foreign principals?

Yes ☒ No ☐

If yes, describe fully.

A speech given by our President, Mr. Joaquín Prieto at a meeting of the World Trade Association of Milwaukee, Inc. in Milwaukee, Wisconsin on October 4, 1979.

² The term "political activities" means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

IV - FINANCIAL INFORMATION

14. (a) RECEIPTS - MONIES

During this 6 month reporting period, have you received from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise?

Yes ☒ No ☐

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies.³

<i>Date</i>	<i>From Whom</i>	<i>Purpose</i>	<i>Amount</i>
See details in exhibit No. 14(a)			\$ 1,106,161,000.-

Total \$ 1,106,161,000.-

14. (b) RECEIPTS - THINGS OF VALUE

During this 6 month reporting period, have you received any thing of value⁴ other than money from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal?

Yes ☐ No ☒

If yes, furnish the following information:

<i>Name of foreign principal</i>	<i>Date received</i>	<i>Description of thing of value</i>	<i>Purpose</i>
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³ A registrant is required to file an Exhibit D if he collects or receives contributions, loans, money, or other things of value for a foreign principal, as part of a fund raising campaign. See Rule 201(e).

⁴ Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

15. (a) DISBURSEMENTS - MONIES

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 8, 9 and 10 of this statement? Yes ☒ No ☐

(2) transmitted monies to any such foreign principal? Yes ☐ No ☒

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	To Whom	Purpose	Amount
See details in exhibit No. 15(a)			\$ 857,812.25

Total	\$ 857,812.25
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15. (b) DISBURSEMENTS - THINGS OF VALUE

During this 6 month reporting period, have you disposed of anything of value⁵ other than money in furtherance of or in connection with activities on behalf of any foreign principal named in items 8, 9 and 10 of this statement?

Yes ☐ No ☒

If yes, furnish the following information:

<i>Date disposed</i>	<i>Name of person to whom given</i>	<i>On behalf of what foreign principal</i>	<i>Description of thing of value</i>	<i>Purpose</i>
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(c) DISBURSEMENTS - POLITICAL CONTRIBUTIONS

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value⁵ in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office? Yes ☐ No ☒

If yes, furnish the following information:

<i>Date</i>	<i>Amount or thing of value</i>	<i>Name of political organization</i>	<i>Name of candidate</i>
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V - POLITICAL PROPAGANDA

(Section 1(j) of the Act defines "political propaganda" as including any oral, visual, graphic, written, pictorial, or other communication or expression by any person (1) which is reasonably adapted to, or which the person disseminating the same believes will, or which he intends to, prevail upon, indoctrinate, convert induce, or in any other way influence a recipient or any section of the public within the United States with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party or with reference to the foreign policies of the United States or promote in the United States racial, religious, or social dissensions, or (2) which advocates, advises, instigates, or promotes any racial, social, political, or religious disorder, civil riot, or other conflict involving the use of force or violence in any other American republic or the overthrow of any government or political subdivision of any other American republic by any means involving the use of force or violence.)

16. During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any political propaganda as defined above? Yes ☒ No ☐

IF YES, RESPOND TO THE REMAINING ITEMS IN THIS SECTION V.

17. Identify each such foreign principal.

CORPORACION DE FOMENTO DE LA PRODUCCION DE CHILE

⁵ Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating political propaganda?
Yes ☒ No ☐

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

BANCO CENTRAL DE CHILE - \$25,000.- for the current period.

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of political propaganda include the use of any of the following:

☐ Radio or TV broadcasts ☐ Magazine or newspaper articles ☐ Motion picture films ☐ Letters or telegrams
☐ Advertising campaigns ☐ Press releases ☒ Pamphlets or other publications ☒ Lectures or speeches
☐ Other (specify) _____

20. During this 6 month reporting period, did you disseminate or cause to be disseminated political propaganda among any of the following groups:

☒ Public Officials ☒ Newspapers ☒ Libraries
☒ Legislators ☒ Editors ☒ Educational institutions
☒ Government agencies ☒ Civic groups or associations ☐ Nationality groups
☐ Other (Specify) _____

21. What language was used in this political propaganda:

☒ English ☐ Other (specify) _____

22. Did you file with the Registration Section, Department of Justice, two copies of each item of political propaganda material disseminated or caused to be disseminated during this 6 month reporting period?

Yes ☒ No ☐

23. Did you label each item of such political propaganda material with the statement required by Section 4(b) of the Act? Yes ☒ No ☐

24. Did you file with the Registration Section, Department of Justice, a Dissemination Report for each item of such political propaganda material as required by Rule 401 under the Act?

Yes ☒ No ☐

VI - EXHIBITS AND ATTACHMENTS

25. EXHIBITS A AND B

- (a) Have you filed for each of the newly acquired foreign principals in Item 9 the following:

Exhibit A⁶ Yes ☐ No ☐

Exhibit B⁷ Yes ☐ No ☐

If no, please attach the required exhibit.

- (a) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during this six month period?

Yes ☐ No ☐

If yes, have you filed an amendment to these exhibits? Yes ☐ No ☐

If no, please attach the required amendment.

⁶ The Exhibit A, which is filed on Form OBD-67 (Formerly DJ-306) sets forth the information required to be disclosed concerning each foreign principal.

⁷ The Exhibit B, which is filed on Form OBD-65 (Formerly DJ-304) sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

26. EXHIBIT C

If you have previously filed an Exhibit C⁸, state whether any changes therein have occurred during this 6-month reporting period.

Yes ☒ No ☐

If yes, have you filed an amendment to the Exhibit C? Yes ☐ No ☐

If no, please attach the required amendment.

27. SHORT FORM REGISTRATION STATEMENT

Have short form registration statements, been filed by all of the persons named in Items 5 and 7 of the supplemental statement?

Yes ☒ No ☐

If no, list names of persons who have not filed the required statement.

The undersigned swear(s) or affirm(s) that he has (they have) read the information set forth in this registration statement and the attached exhibits and that he is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his (their) knowledge and belief, except that the undersigned make(s) no representation as to the truth or accuracy of the information contained in attached Short Form Registration Statement, if any, insofar as such information is not within his (their) his (their) personal knowledge.

(Type or print name under each signature)

(Both copies of this statement shall be signed and sworn to before a notary public or other person authorized to administer oaths by the agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions who are in the United States, if the registrant is an organization.)


Martín Laborde

Vice President

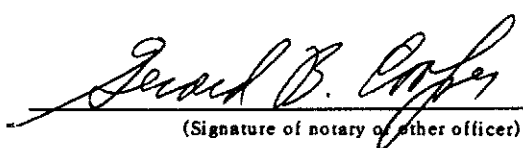
CORPORACION DE FOMENTO

DE LA PRODUCCION

Subscribed and sworn to before me at One World Trade Center, 5151, New York, N.Y. 10048

this 14th day of May, 19 80

GERARD B. COOPER
Notary Public, State of New York
No. 24-0754125
Qualified in Kings County
Certificate Filed in New York County
Commission Expires March 30, 1981


(Signature of notary or other officer)

⁸ The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, constitution, and bylaws of a registrant that is an organization. (A waiver of the requirement to file an Exhibit C may be obtained for good cause shown upon written application to the Assistant Attorney General, Criminal Division, Internal Security Section, Department of Justice, Washington, D.C. 20530.

CORPORACION DE FOMENTO DE LA PRODUCCION
NEW YORK OFFICE
EXHIBIT 14 (a)
SCHEDULE OF PAYMENTS BY SOURCE OF FUNDS
OCTOBER 1979 THROUGH MARCH 1980
(in Thousands of U.S. Dollars)

MONTH	SOURCE OF FUNDS	P A Y M E N T S						MONTHLY TOTALS BY SOURCE
		EXTERNAL DEBT	NEW YORK OFFICE EXPENSES	CIF VALUE OF PURCHASES & OTHERS	REPAYMENTS OF LINES OF CREDIT	PAYMENTS FOR PURCHASES OF CRUDE OIL		
OCTOBER	CORFO - CHILE	5,071	125	979	-0-	-0-		6,175
	AFFILIATES & OTHER CHILEAN ENTITIES	15,793	-0-	32,138	21,159	58,240		227,330
	INTERNATIONAL FINANCIAL INSTITUTIONS	-0-	-0-	372	-0-	-0-		372
	OCTOBER TOTALS	20,864	125	33,489	21,159	58,240		233,877
NOVEMBER	CORFO - CHILE	480	132	1,066	-0-	-0-		1,678
	AFFILIATES & OTHER CHILEAN ENTITIES	9,910	-0-	49,288	42,817	71,334		273,349
	INTERNATIONAL FINANCIAL INSTITUTIONS	-0-	-0-	811	-0-	-0-		811
	NOVEMBER TOTALS	10,390	132	51,165	42,817	71,334		275,838
DECEMBER	CORFO - CHILE	14,833	253	1,460	-0-	-0-		16,546
	AFFILIATES & OTHER CHILEAN ENTITIES	14,321	-0-	10,936	42,390	116,817		284,464
	INTERNATIONAL FINANCIAL INSTITUTIONS	-0-	-0-	312	-0-	-0-		312
	DECEMBER TOTALS	29,154	253	12,708	42,390	116,817		201,322
JANUARY	CORFO - CHILE	13,858	111	564	-0-	-0-		14,533
	AFFILIATES & OTHER CHILEAN ENTITIES	3,737	-0-	56,959	78,677	65,301		204,674
	INTERNATIONAL FINANCIAL INSTITUTIONS	-0-	-0-	375	-0-	-0-		375
	JANUARY TOTALS	17,595	111	57,898	78,677	65,301		219,582
FEBRUARY	CORFO - CHILE	1,131	113	548	-0-	-0-		1,792
	AFFILIATES & OTHER CHILEAN ENTITIES	1,294	-0-	55,687	37,837	40,086		134,904
	INTERNATIONAL FINANCIAL INSTITUTIONS	-0-	-0-	184	-0-	-0-		184
	FEBRUARY TOTALS	2,425	113	56,419	37,837	40,086		136,880
MARCH	CORFO - CHILE	7,968	184	4,335	-0-	-0-		12,487
	AFFILIATES & OTHER CHILEAN ENTITIES	4,206	-0-	47,021	106,480	67,825		225,532
	INTERNATIONAL FINANCIAL INSTITUTIONS	-0-	-0-	643	-0-	-0-		643
	MARCH TOTALS	12,174	184	51,999	106,480	67,825		238,662
	TOTALS FROM OCT. 1979 TO MARCH 1980	92,602	918	263,678	329,360	419,603		1,106,161

FARES AND FREIGHT

Exhibit N-15(a)

DATE		VOUCHER #	AMOUNT	
10/4/79	COLUMBUS INTERNATIONAL TRAVEL	10-42	222 //	1
10/11/79	✓	10-79	444 //	2
10/18/79	AMERICAN EXPRESS CO.	10-115	874 //	3
10/18/79	AMERICAN AIRLINES	10-118	47 //	4
11/2/79	✓	11-20	102 //	5
11/13/79	✓	11-77	204 //	6
12/18/79	COLUMBUS INTERNATIONAL TRAVEL	12-142	102 //	7
1/8/80	AMERICAN AIRLINES	1-83	102 //	8
1/2/80	✓	1-10	102 //	9
1/25/80	✓	1-184	9014	10
2/19/80	AMERICAN EXPRESS CO.	2-149	512 //	11
3/10/80	AMERICAN AIRLINES	3-92	51 //	12
3/24/80	AMERICAN EXPRESS CO.	3-178	512 //	13
3/25/80	EASTER ISLAND TRAVEL SERV. INC.	3-198	1835 //	14
			\$ 5199 14	15
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SUMMARY

SALARIES AND OTHERS OFFICE
OVERHEAD EXPENSES
TRAVEL EXPENSES
SECRETARIAL SERVICES & OTHERS
PRINTING
PUBLIC RELATIONS
FARES AND FREIGHT

\$ 75220 839
4921 64
8350 60
79508 27
7624 21
5199 14
\$ 85781 225

PUBLIC RELATIONS

		1	2	3	4
DATE			VOUCHER #	AMOUNT	
10/18/79	AMERICAN EXPRESS CO.		10-124	104 15	1
10/22/79	FEDERICO ARANDA		10-128	22 //	2
10/23/79	THE CLUB AT THE WORLD TRADE CENTER		10-137	403 01	3
11/6/79	ANGELO CARRERA		10-40	44 90	4
11/15/79	LAN-CHILE AIRLINES		11-85	44 //	5
11/20/79	THE CLUB AT THE WORLD TRADE CENTER		11-116	804 87	6
11/23/79	CLUB DE LAS ABUELAS		11-134	100 //	7
11/26/79	ANGELO CARRERA		11-152	59 //	8
11/27/79	AMERICAN EXPRESS CO.		11-168	736 26	9
12/3/79	SIGFREDO GARCIA		12-25	36 //	10
12/3/79	EDUARDO SCHISMAN		12-25	17 //	11
12/7/79	PROCHILE		12-68	50 //	12
12/11/79	THE CLUB AT THE WORLD TRADE CENTER		12-102	449 64	13
12/13/79	✓	✓	12-116	216 74	14
12/18/79	✓	✓	12-139	134 75	15
12/19/79	✓	✓	12-152	843 11	16
12/19/79	CHRISTMAS GRATUITIES		12-157	125 //	17
12/20/79	AMERICAN EXPRESS CO.		12-164	8 //	18
1/2/80	✓	✓	1-9	111 80	19
1/21/80	THE CLUB AT THE WORLD TRADE CENTER		1-138	204 22	20
1/22/80	✓	✓	1-153	274 50	21
1/22/80	CHEMISTS BUILDING CO.		1-154	33 58	22
2/6/80	SIGFREDO GARCIA		2-44	46 //	23
2/6/80	SYLVIA HORST		2-44	48 60	24
2/14/80	MISION PERMANENTE DE CHILE ANTE U.N.		2-107	25 //	25
2/18/80	THE CLUB AT THE WORLD TRADE CENTER		2-116	271 24	26
2/18/80	✓	✓	2-120	120 37	27
2/19/80	AMERICAN EXPRESS CO.		2-149	84 83	28
3/3/80	WINDOWS ON THE WORLD		3-25	553 20	29
3/5/80	AMERICAN EXPRESS CO.		3-48	178 57	30
3/5/80	JOAQUIN PRIETO		3-53	100 //	31
3/19/80	✓	✓	3-165	30 //	32
3/24/80	THE CLUB AT THE WORLD TRADE CENTER		3-188	433 20	33
3/24/80	✓	✓	3-189	805 67	34
				<u>7,624 21</u>	35
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TRAVEL EXPENSES

		1	2	3	4
DATE			VOUCHER #	AMOUNT	
10/9/79	EDUARDO SCHITMAN		10 - 71	124 18	1
10/12/79	JOAQUIN PRIETO		10 - 85	68 08	2
10/18/79	AMERICAN EXPRESS CO.		10 - 115	531 58	3
10/18/79	MARTIN LABORDE		10 - 122	168 //	4
11/8/79	JOAQUIN PRIETO		11 - 56	85 25	5
11/13/79	ANGELO CARRERA		11 - 78	317 99	6
11/13/79	GIRALDO LIMOUSINE SERVICE INC		11 - 79	146 05	7
11/23/79	AMERICAN EXPRESS CO.		11 - 140	485 87	8
12/10/79	MARTIN LABORDE		12 - 76	50 //	9
12/11/79	JOAQUIN PRIETO		12 - 84	100 //	10
2/5/80	ANGELO CARRERA		2 - 35	177 //	11
2/6/80	JOAQUIN PRIETO		2 - 44	89 50	12
2/19/80	AMERICAN EXPRESS CO.		2 - 149	466 26	13
2/22/80	MARTIN LABORDE		2 - 155	55 //	14
3/14/80	JOAQUIN PRIETO		3 - 138	111 20	15
3/19/80	MARTIN LABORDE		3 - 165	70 //	16
3/24/80	✓		3 - 173	1395 //	17
3/25/80	ANGELO CARRERA		3 - 201	480 68	18
				\$ 4,921 64	19
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SECRETARIAL SERVICES & OTHERS

DATE		Vo. #	AMOUNT	
10/2/79	EMBAJADA DE CHILE	10-4	1250 //	1
11/2/79	✓	11-26	1250 //	2
12/3/79	✓	12-6	1963 89	3
1/2/80	✓	1-14	130034	4
2/1/80	✓	2-15	133637	5
3/21/80	✓	3-168	1250 //	6
			8,350 60	7
				8
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PRINTING

DATE		Vo. #	AMOUNT	
10/9/79	FINE GRAPHICS INC.	10-70	7,624 95	16
10/29/79	✓	10-155	1,270 //	17
11/1/79	✓	11-14	12,236 44	18
11/23/79	✓	11-142	1,245 //	19
12/3/79	✓	12-17	19,714 26	20
12/17/79	✓	12-135	1,215 //	21
1/14/80	✓	1-114	11,765 10	22
1/21/80	✓	1-141	1,335 //	23
1/22/80	✓	1-155	6,179 69	24
3/3/80	✓	3-28	2,397 //	25
3/5/80	✓	3-52	6,241 04	26
3/13/80	✓	3-126	1,331 //	27
3/14/80	✓	3-144	6,463 79	28
3/24/80	✓	3-190	490 //	29
			79,508 27	30
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SHORT-FORM REGISTRATION STATEMENTSECTION A

The Department records list active short form registration statements for the following persons of your organization filed on the date indicated by each name. Please show below whether each person is still functioning in the same capacity directly on behalf of the foreign principal. If not, show date of termination.

Corporacion de Fomento de la Produccion
Reg. No. 401

ACTIVE?

IF YES -
ANY MAJOR
CHANGES?

Yes? No?

Yes? No?

Edgar Mahn	Filed 2/17/71 Director		X		
Mariano A. Pastor	Filed 2/19/74 President		X		
Ricardo Corssen	Filed 9/26/74 Vice President		X		1-1-79
Sergio Undurraga	Filed 3-29-75 President	X	X		7-31-79
Joaquín Prieto	Filed 4-23-76 President	X		X (Since 8-1-79)	
Isidoro Luis A. Palma	Filed 4-27-77 Asst. to the President		X		2-1-79
Jorge Fernando Claro	Economic Counselor to the Chilean Embassy		X		4-30-78
Martín Laborde	Filed 10-30-79 Vice President	X			X

SECTION B

In addition to those persons listed in Section A, list below all current employees rendering services directly on behalf of the foreign principal(s) who have not as yet filed short-form registration statements. (Do not list clerks, secretaries, typists or employees in a similar or related capacity. If there is some question as to whether an employee has an obligation to file a short-form, please address a letter to us describing the activities and connection with the foreign principal.)

Name	Function	Date Hire

Signature: Martín LabordeDate: 5-14-80Title: Vice President

RECEIVED
DEPT. OF JUSTICE
MAY 21 4 33 PM '80
REGISTRATION UNIT
INTERNAL SECURITY
SECTION
CRIMINAL DIVISION

"CHILE AN ECONOMIC PROFILE"

Address by Mr. Joaquín Prieto,
President of Corporación de
Fomento de la Producción de
Chile, New York Office, at
the World Trade Association
of Milwaukee, Inc.

October 4, 1979.

* * * * *

Before getting into some aspects of the Chilean economy, I would like to give you a brief introduction to CORFO, the Chilean Development Corporation.

Until 1939, Chile's international trade consisted mainly of nitrate and copper exports. The world economic crisis of the period caused Chile to reevaluate its economic policy, resulting in the decision to devise a strong domestic industrialization program, primarily by encouraging investments.

For that purpose, the Chilean government established the Corporacion de Fomento de la Produccion in 1939. This was a major step towards the formulation and execution of a progressive national policy for economic development.

CORFO was the first organization of its kind in Latin America and its success encouraged other countries to undertake similar initiatives.

Forty years later, CORFO is now the largest Chilean concern by size of assets, which as of December 31, 1978 totalled approximately four and a quarter billion dollars (US\$ 4.25 billion). It has investments in subsidiaries and other affiliated companies involved in the investigation and

evaluation of natural and human resources; in the development of agricultural, industrial and mining production; as well as in the fishing, forestry and agroindustries. Also, in the development of new sources of energy and fuel; in expanding communications and transportation systems, and furthering studies in marketing, trade and economic integration.

During the four decades of CORFO's existence, there has not been any significant industrial activity in Chile in which we have not played a meaningful part. CORFO has helped both the nation's public and private sectors. Our assistance extends from research and development to financial, managerial and technical aid and training in all areas of the economy.

As a result of its financial promotion activities, CORFO has obtained important foreign credits for the development of the nation's natural and human resources.

CORFO's loan portfolio amounted to US\$250 million as of December 31, 1978. These loans, as well as guarantees, are granted to private and public sector companies to promote the development of industrial, agricultural, mining, forestry, tourism and vocational training projects.

In recent years, CORFO has had the additional,

although temporary, responsibility of divesting itself of most of the companies under its control in late 1973, after some 500 firms had been taken over or expropriated in accordance with instructions issued by the former government. Of these, 259 have been returned to their original owners, while most of the others have been sold through public bid to Chilean or foreign buyers. Only ten companies remain to be sold and it is expected that this will be accomplished in the near future. The Government will retain ownership of companies in such basic industries as public utilities, steel, sugar, communications, petroleum, coal and the major copper mines.

A project to restructure CORFO's organization is presently being studied. It calls for a separation of functions through the creation of three divisions: a Development Bank, a Holding Company and a Research and Development Division.

After this brief summary of CORFO, let's go over the functions of its Office abroad.

CORFO's New York Office, which I have the privilege of presiding, started its operations in 1940 in order to coordinate the assistance received for the economic and industrial reconstruction necessary in our country because of the disastrous earthquake of 1939. CORFO New York purchased equipment and materials and obtained technical and financial assistance needed to carry out these activities. It has

operated continuously since then, earning a reputation in commercial and banking circles as a creditworthy organization.

CORFO New York has been and continues to be involved in the purchasing of goods and services needed in Chile for a large number of capital investment projects. These are carried out by companies such as the National Petroleum Company (ENAP), responsible for the country's oil and natural gas exploration and production; the National Electric Company (ENDESA), a vast utility entrusted with supplying most of Chile's electrical power needs; the National Telecommunications Company (ENTEL), with its net of domestic and international communications and by other entities of vital importance to our economy.

We are also participating in a number of significant research and development projects in the fields of solar, geothermic and coal energy; agroindustry; forestry; fishing, and others.

This purchasing function represents an annual average of approximately US\$ 40 million in Purchase Orders.

In order to fulfill the objectives of these projects it has been necessary to request significant financial assistance in the domestic and international money markets.

In the last five years, our New York Office has participated in the various phases of contracting approximately 1 billion dollars in medium and long-term credits. We maintain contact with commercial banks all over the world as well as with the International Monetary Fund, the World Bank, the Inter-American Development Bank, ExImbank and its counterparts in other countries. We also participate extensively in the management of funds, the servicing of the external debt of CORFO and some affiliates, and in effecting payments in various currencies; financial activities that involve more than US\$ 600 million on an average annual basis.

The economic information section of our New York Office issues a monthly publication titled "Chile Economic News" and a yearly economic profile of the country. Both publications are highly regarded by their readership all over the world. So you can see that CORFO in general, and our New York Office in particular, may be considered as your economic gateway to Chile.

Now I would like to refer to some aspects of the Chilean economy.

I quote from the conclusion of a recent report prepared by the World Bank: "Few economies have been more studied, debated and prescribed for for so many years as the Chilean..." Since 1973, this assertion has acquired

added validity and after six years, we can now state that the new economic policy is producing the desired results and Chile is prospering again.

Why do I describe it as prospering? Because compared to the 1977 results, in 1978 the economy registered the following:

- The Gross Domestic Product increased by 7.3 percent placing Chile 4th in Latin America.
- The rate of inflation was cut in half (from 63.5 percent to 30.3 percent).
- 140 thousand new jobs were created (representing 4.9 percent increase).
- Real wages improved by 14 percent.
- Gross international reserves increased almost 100 percent (US\$ 827 million to over US\$1.5 billion).
- The balance of payments recorded a surplus of over half a billion dollars (US\$ 617 million).
- Investments increased 11 percent, and

- Non-traditional exports increased more than 25 percent (26.1 percent).

Despite depressed world prices for copper, Chile's main export, the country had a significant increase in the Gross Domestic Product. This dynamic trend, signifying the end of a five-year economic crisis, should continue as a result of the substantial increase in investment and the rise in non-traditional exports. The latter has proven to be a major element in the nation's economic growth, the balance of payments surplus, and the expanded labor market, because of resultant structural changes and the shift toward labor intensive industries.

A key factor in the expansion of Chilean trade was the government's decision to open its doors to foreign commerce. The export sector acts as a vital element in attaining productivity standards on the international level, especially in areas that encourage intensive use of the country's natural and human resources.

This decision has encouraged international trade by reducing customs duties and other tariffs from over 500 percent in 1973 to 10 percent in 1979, except for import duties on certain automobiles. Chilean producers have improved their production capabilities in order to meet foreign competition and the results have exceeded all expectations.

Chile now has a market economy where uniform duties, tariffs and taxes apply to both State-owned and private companies.

In the last four years, Chile's economic growth has doubled historical rates. Employment has increased, unemployment has been reduced, and real wages have shown considerable improvement.

While instituting policies to bolster the economy, our Government has recognized its responsibilities in the fields of housing, education, welfare and health. As a result, these sectors have received the largest share of public expenditure: 49.2 percent in 1973; 51.7 percent in 1977, and 53.9 percent in 1978. One of the accomplishments that resulted from this concern over social problems was to cut infant mortality in half (from 79.3 per thousand in 1970 to 39.7 per thousand in 1978.)

The new orientation in public spending is geared to assist the truly poor more directly by offering low interest rates for housing, stressing primary education, and improving health and nutrition facilities. Unemployment subsidies and training programs also aid the poor and contribute to raising the living standards for the entire population.

The worldwide economic crisis of 1975 and the Chilean government's drastic stabilization program were mainly responsible for a recession in economic activity during that year. This resulted in a decrease in the employment level which, when coupled to an increase in the labor force, gave rise to a higher unemployment rate. This rate began a decline during 1976 and 1977, due in part to a public sector employment program implemented by the government. The employment rate continues to increase and last year it experienced a 4.9 percent rise as a result of the generation of an additional 140 thousand new jobs.

The sustained and consistent growth registered in the last four years allows us to visualize the possibility of attaining one of the main objectives of Chile's economic policy, that is, to double the average income of Chileans every fourteen years instead of the more than thirty years that it took under the economic policies in effect up to 1973.

Industrial output has grown at rates between 9 percent and 12 percent annually since 1976, and in 1978 it was 10.1 percent. The lowering of duties on imports encouraged greater efficiency in domestic industry and resulted in improved manufactured products. This is reflected very convincingly in the fact that industrial exports reached US\$ 816 million in 1978 against only

US\$ 103 million in 1973. This trend has continued during the first 6 months of this year, with industrial exports increasing 37.4 percent over the comparable 1978 period.

Today Chile has tripled the number of commodities sold abroad to over a thousand items and these are exported to over one hundred countries. Chilean producers recognized the challenge in the Government's open-door policy and they have successfully met that challenge by improving their product, cutting costs and becoming active exporters.

Unfavorable climate conditions during 1978 caused the rate of agricultural production to decline by one percent from the preceding year. In the first half of 1979, agricultural production recovered to 15 percent above the level obtained in 1977. Non-traditional agricultural exports in 1978 reached US\$ 158 million compared to US\$ 21 million in 1973, and to US\$ 127 million in 1977.

Forestry has been one of Chile's most successful export sectors during the last decade. The tremendous growth achieved has made the exports of lumber and its by-products the nation's second largest source of foreign revenues after copper.

The 31.2 percent increase in the export of forestry products in 1978 represented US\$ 237 million, up from the US\$ 181 million exported the previous year. The expanded rate of reforestation indicates that the forestry sector can be expected to continue its accelerated progress. The massive reforestation program that has been undertaken will, according to the World Bank, approximately quadruple Chile's long fibre forest resources by the late 1990s.

While Chile is doing well on land, it is also making substantial progress in taking advantage of its long coastline by building up its exports of fish and other sea products. It now ranks 14th in the world in this field.

Chile used to rely on copper exports for some 80 percent of its foreign exchange. With the growth of non-traditional exports, this dependency has dropped sharply to 52.1 percent in 1977 and to 49.6 percent last year, so that we no longer have a single product economy. Even this year, with a price increase of over 50 percent, copper exports are still under 50 percent of the total. Our country produced approximately 16 percent of the copper mined in the western world. Chile is the world's third largest copper producer, following the United States and the USSR, and the largest copper exporter in the world. Copper will continue to be a key product in the country's export picture since our resources

represent 39 percent of the world's proven and probable pure copper ore reserves.

The nation's four major copper mines are operated by CODELCO, Corporacion Nacional del Cobre, now the largest copper company in the world. It has a labor force of 30,000; a capital of US\$1.34 billion and its sales in 1978 totalled more than US\$ 1.3 billion.

Chile is also an iron producer, ranking as the 12th largest in the world. Substantial technological progress has been made which permits the country to become an active competitor in the world market. A pellet plant, operated by the Pacific Steel Company produces 50 percent of total iron exports.

Chile is developing an offshore hydrocarbon-exploration program with excellent results. The first crude oil well started production this year. It is estimated that by 1983 domestic output will meet 40 percent of the nation's total oil requirements, representing a 100 percent increase over 1978. At the same time, there is extensive exploration activity being conducted by foreign companies in joint ventures with the Chilean National Oil Company (ENAP).

In the foreign sector, the Government's policy since 1973 has been to reduce trade barriers and thus make imports from and exports to other markets easier. This represents a reversal of the historical protectionist strategies pursued by previous administrations. The current approach is designed to achieve a better allocation of resources and to improve the rate of economic growth. Chile has eliminated import quotas and prohibitions, pre-import deposits and non-tariff trade barriers and the average level of import duties has been lowered from 94 percent in 1973 to a single uniform tariff of 10 percent since June of this year, except for import duties on certain automobiles.

Measures adopted to stimulate exports include financing programs; exemptions from the 20 percent value-added tax; streamlining of administrative procedures in connection with foreign exchange and trade transactions and the formation in 1974 of the Export Promotion Institute, PROCHILE, with offices in New York, Hamburg, Tokyo, Sao Paulo and Bogota.

Based on the growth rate during the first 6 months of this year, 1979 exports are estimated at US\$ 3.4 billion. This expansion is due, mainly, to higher copper prices and an increase in traditional and non-traditional exports.

On the other hand, imports have followed the increasing trend of exports, reaching US\$ 3 billion last year, with projections of US\$ 3.6 billion for 1979. Imports of capital goods rose 40 percent in real terms during 1978.

This growth tendency in our foreign trade figures reflects the improvement on the levels of international activities and the changes taking place in our domestic production, where emphasis is being given to those areas in which our resources have greater possibilities for international competition, allowing us to achieve better utilization of these resources.

Presently, foreign trade represents more than 25 percent of our domestic product, compared to the 12 to 16 percent levels before 1970, highlighting the importance of this activity to the Chilean economy.

At year end 1978 gross international reserves exceeded US\$ 1.5 billion and the balance of payments registered an estimated surplus of US\$ 617 million. Foreign debt increased by US\$ 1.5 billion of which almost half were applied to reserves. The ratios used to compare annual debt service to total exports and to Gross Domestic Product have shown a constant decreasing trend since 1976,

reflecting Chile's capacity to fulfill its external financial obligations.

Looking ahead, we expect the performance of the foreign sector for 1979 to be comparable to, or perhaps better than last year. Our forecast considers:

- the change in the terms of trade;
- the credit and monetary policy of accumulation of reserves;
- the effect of the recent reduction in import duties;
- the response to the reduction in tariffs on automobiles, and especially,
- the net results of foreign trade, a factor that has benefited from the improvement in the price of copper, which during the first half of 1979 has increased 40 percent over 1978.

We foresee a commercial deficit of less than half of that of the previous year and a surplus in the balance of payments equivalent to almost half a billion dollars.

Now allow me to present you with the outlook for foreign investments in Chile.

The present Government has undertaken to open Chile's economy to foreign investment, in order to gain access to foreign technology, and to increase the flow of foreign capital, to supplement internal savings, and to achieve the 6 to 7 percent rate of growth in Gross Domestic Product.

According to the Executive Secretary of the Foreign Investment Committee, during the first years of the present Administration, capital flow into Chile was limited because "the investor is cautious and in the presence of political change, he waits until becoming acquainted with the new rules of the game and confirming that the situation is stable"

The latest statistics confirm that confidence in Chile is being regained. From August 1974 through June 1978, the Foreign Investment Committee approved 351 new investments totalling more than US\$ 4 billion. The investment risk of these operations is assumed entirely by the foreign investor, except for over US\$ 400 million for three mining projects on which the State will obtain or guarantee credits to cover its participation.

The mining sector has received the greatest share of foreign investments in terms of money, while the largest number of investments have been in non-mining categories, suggesting the investor's confidence in Chile's ability to expand and diversify production.

Mining projects will eventually result in an investment of US\$ 3.5 billion, concentrated mostly during the next 3 to 8 years. About 300 small and medium projects in other sectors have been completed and are now in operation.

The number of projects and the amounts approved have been accelerating. Nearly one-half of the new projects and 80 percent of the investments were approved between 1977 and June of 1979. The new investors include a growing number of top companies with a high degree of technological and marketing experience.

The predominant position among investors is held by companies from the United States. The Canadian and American investors have directed ninety percent of their capital to the mining sector. There are a number of projects originating in other Latin American nations, especially from the southern cone. This demonstrates a regional interest in integration over and above the political and boundary problems.

The copper industry has attracted the major foreign investment in the mining sector. The importance of the firms and the number of investors bodes well for Chile's continued development. The following is a breakdown of the most important investments approved since 1974:

In copper mining:

- Anaconda Company US\$ 1.5 billion;
- Falconbridge, Superior Oil, McIntyre mines
US\$ 500 million;
- Noranda Mines Ltd. US\$ 350 million;
- Exxon Corporaton US\$ 117 million;
- Marvis Corporation S.A. US\$ 27 million;

In oil and its derivatives:

- Esso Standard Interamerica, Inc.
US\$ 15 million;
- Shell Petroleum Company Ltd. US\$ 12 million;
- Atlantic Richfield and Amerada Hess
US\$ 11 million.

Also:

- St. Joe Minerals, in gold, silver and copper mining US\$ 100 million;
- Goodyear International Corporation in tire manufacturing US\$ 34 million;
- Metallgesellschaft A.G. in lead and zinc mining US\$ 38 million; and
- Foote International Inc. in lithium mining US\$ 23 million.

In addition, it is noteworthy to point out that seventeen different foreign financial institutions have been granted authorization to establish offices in Chile. These include:

- Bank of America
- Citibank
- The Chase Manhattan Bank
- Manufacturers Hanover Trust Co.
- American Express International Banking Corp.
- Bank of Boston
- Republic National Bank of New York
- Bank of Tokyo

- Banco do Brasil
- Banco Real de Brasil
- Deutsche Süd Amerikanische Bank
- Banco Exterior de Espana
- Credit Suisse
- Adela Investment Company and
- Cia.Financiera de Desarrollo S.A.de Venezuela

Industrial projects have been undertaken by companies such as Firestone, 3M Company, Black & Decker, Johnson & Johnson, Avon, Diamond Shamrock, Gillette and Standard Brands from the United States, Nippon of Japan, Citroen of France, Holderbank of Switzerland and Pedro Domecq of Spain.

Chile's Foreign Investment Statute, issued two years ago, assures the foreign investor of terms and conditions equal to those given to the Chilean investor and provides for the elimination of protectionist tariffs. The Statute, copies of which have been distributed to each of you, covers the following subjects: investment in foreign currency; tangible assets and technology; capitalization of profits and capitalization of foreign credits. The main provisions of the Statute are:

- Funds must be invested for a minimum of 3 years (8 to 12 years in the case of mining).
- Capital may be transferred abroad after 3 years. Profits may be remitted freely.
- The investor is guaranteed access to the foreign exchange market.
- The investor has the option to elect a fixed income tax rate of 49.5 percent, for ten years in lieu of the existing income tax rate of 48.6 percent, and also to determine in advance sales taxes and custom duties on imports of capital goods.

Chile's success so far has resulted in a level of stability which has not only overcome the crisis of a few years ago, but offers excellent opportunities for domestic and foreign investors. This has been made possible by the move to a free market economy, the adoption of a realistic foreign exchange system, and the political willingness to sustain a demanding program requiring unavoidable hardships

during its initial stages. I must emphasize that the program would not have been feasible if it had not been for the full cooperation given by the Chilean people who were anxious for a return of stability, freedom from uncertainty, and a keen desire to reestablish their country's position in the community of nations.

The Chilean Government has recently announced a national development plan for the six-year period ending in 1984. The plan provides the basis for the continuation of the rate of development and economic growth achieved so far by the present Administration.

This program contains the necessary incentives for the private sector to act as the prime force in our country's future development, while the State's role remains that of guiding the total effort towards economic and social progress in Chile.

The backbone of this blueprint for reconstruction consists of the Government's capital investment of US\$ 9.1 billion, earmarked primarily for projects in the areas of energy, public works, mining, agroindustries, tourism and social services such as housing, health, education, employment and others designed for the welfare of our people.

The major emphasis of the public expenditure will be on electrical power generating facilities, potable water distribution and sewer projects. The planning seeks to expand production of copper, fruits and vegetables, forestry products and fishing, distributing the investment in such manner that the development of all geographical regions is attained at similar levels.

The following decisions have been made in order to execute this plan: a non-discriminatory approach toward foreign investments; decentralization of industry through incentives for the extreme northern and southern regions; the maintenance of government sponsored Research and Development centers to raise the level of technology available, and the continued authorization for virtually unrestricted access to the international credit markets. We are confident that these well planned programs will be successful in attaining the desired objectives.

At a time of worldwide economic crisis, Chile's open market approach has helped the country to pull itself up by its own bootstraps. We encourage free enterprise and want to bring down the barriers that impede foreign trade. We believe in the free marketplace and we welcome foreign investments. You are all invited to join us in our efforts.

I hope this general update on CORFO and the Chilean economy has been of interest to you. Thank you for your generous attention and if I can answer your questions now, or at any time in the future, I will be happy to do so. .

Thank you again.

STATISTICAL APPENDIX

- 1.- Basic Economic Indicators
- 2.- Annual Growth Rates
- 3.- Gross Domestic Product
- 4.- Real Growth Rates by Sector
- 5.- Major Production Items
- 6.- Indices of Industrial Production and Employment
- 7.- Index of Industrial Production by Sector
- 8.- Index of Average Labor Productivity in Industry
- 9.- Agricultural Exports by Category
- 10.- Exports of Fish and Fish Products
- 11.- Trade Summary - Exports
- 12.- Trade Summary - Imports
- 13.- Balance of Payments
- 14.- Foreign Debt
- 15.- Basic Data
- 16.- Map 1 and Map 2

TABLE 1

BASIC ECONOMIC INDICATORS

Indicators	1975	1976	1977	1978	Forecast 1979
GDP Growth (real % variation)	(11.3)	4.1	8.6	7.3	7 - 8%
Inflation (% at Year-End)	340.	174.	63.5	30.3	27 - 31%
Exports (US\$ Million FOB)	1,552.1	2,082.6	2,190.3	2,407.8	3,370.
Non-Copper Exports (US\$ Millions)	661.7	836.1	1,002.9	1,206.3	1,500.
Imports (US\$ Millions CIF)	1,338.2	1,683.8	2,259.7	3,002.4	3,550.
Current Account (US\$ Millions)	(491.3)	148.	(399)	(730)	(480)
Balance of Payments (US\$ Millions)	(274.6)	455.	(7)	617.	450
Gross International Reserves (US\$ Millions)	337.5	782.7	826.7	1,520.8	1,800.
Net International Reserves (US\$ Millions)	(551.1)	(95.9)	(102.5)	514.8	800.
Greater Santiago Unemployment Rate (%)	16.5	13.6	11.5	13.7	12 - 13%
Unemployment Rate National Level (%)	14.5	13.7	12.7	12.5	10 - 11%
Index of Real Wages and Salaries (1974=100)	97.7	106.6	132.4	150.9	156 - 158

Sources: Central Bank, CORFO (Chilean Development Corporation)
and National Institute of Statistics.

TABLE 2

ANNUAL GROWTH RATES

	1961- 1965	1966- 1970	1971- 1975	1976	1977	1978
Gross Internal Product - Latin America -	5.3%	5.9%	6.6%	4.7%	4.5%	4.3%
Gross Internal Product - Chile -	5.0%	3.9%	(0.6%)	4.1%	8.6%	7.3%

Source: National Planning Office (ODEPLAN) and
Inter-American Development Bank (IDB)

GROSS DOMESTIC PRODUCT

(In millions of 1977 US\$)

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
<u>By Sector of Origin</u>				
Agriculture, Forestry, and Fishing	896	919	1,045	1,034
Mining	1,047	1,199	1,221	1,211
Industry	1,781	1,902	2,131	2,297
Construction	318	258	269	285
Utilities	218	226	238	251
Transportation	390	410	445	467
Commerce	1,775	1,796	2,110	2,389
Services*	<u>2,741</u>	<u>2,830</u>	<u>2,886</u>	<u>3,165</u>
Total GDP	9,165	9,540	10,345	11,099
<u>By Expenditures</u>				
Private Consumption	6,755	6,550	8,293	9,008
Government Consumption	1,275	1,351	1,258	1,290
Gross Fixes Investment	978	933	929	1,148
Exports	1,653	1,983	1,790	1,983
Less: Imports	<u>(1,496)</u>	<u>(1,277)</u>	<u>(1,925)</u>	<u>(2,330)</u>
Total GDP	9,165	9,540	10,345	11,099

* Includes banking, real estate, housing, services, public administration and defense.

Exchange rate of US\$ 1.00 = CH\$ 31.05

Source: ODEPLAN (National Planning Office) and
CORFO (Chilean Development Corporation)

TABLE 4

REAL GROWTH OF GROSS DOMESTIC PRODUCT AT MARKET PRICES

By Sector of Origin	(% Change)			
	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
Agriculture, Forestry and Fishing	3.8	2.6	14.1	(1.0)
Construction	(4.9)	14.5	2.0	(0.8)
Manufacturing	(27.4)	6.8	12.2	7.8
Mining	(31.0)	(18.8)	3.5	6.0
Electricity, gas, water, and sanitation	1.4	3.6	4.8	5.5
Transportation, storage and communications	(10.5)	5.1	8.7	5.0
Banking, Insurance and Real State	20.9	5.8	5.3	13.9
Commerce	(15.2)	1.2	17.9	13.2
Housing	0.5	1.9	1.6	2.0
Public Administration				
Defense	0.1	6.1	(4.0)	0.2
Services	6.5	1.4	3.8	4.8
Total GDP	(11.3)	4.1	8.6	7.3

Source: ODEPLAN (National Planning Office)

TABLE 5

MAJOR PRODUCTION ITEMS

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
COPPER (Thousand t.)	735.4	902.1	828.7	1,005.1	1,049.2	1,035.5
WHEAT (Thousand t.)	746.7	939.0	1,002.4	866.5	1,219.5	892.6
ELECTRICITY (Megawatts/hour)	8,766.0	9,297.0	8,732.0	9,276.2	9,776.3	10,359.7
STEEL INGOTS (Thousand t.)	508.1	595.7	457.9	447.7	509.3	574.2
GLASS (Thousand m ²)	3,427.0	3,185.0	1,539.0	2,887.0	3,569.0	2,999.0
CEMENT (Thousand t.)	1,372.0	1,423.0	1,206.0	958.0	1,140.0	1,203.0
PETROLEUM (Thousand m ³)	1,817.0	1,598.6	1,422.3	1,331.0	1,132.0	998.5

Source: INE (National Institute of Statistics)

TABLE 6

INDICES OF INDUSTRIAL PRODUCTION AND EMPLOYMENT

	(Base 1974 = 100)			
	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
Industrial Production	76.5	85.9	93.8	103.3
Annual Variation	(23.5%)	12.3%	9.2%	10.1%
Industrial Employment	90.6	83.9	83.4	83.3
Annual Variation	(9.4%)	(7.4%)	(0.5%)	(0.1%)

Source: Banco Hipotecario y de Fomento de Chile
(Mortgage and Development Bank of Chile)

TABLE 7

INDEX OF INDUSTRIAL PRODUCTION				
	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
General Index	71.9	75.5	83.1	91.5
Consumer Goods	81.1	92.2	97.4	107.8
Durable Goods	71.1	61.3	66.6	73.4
Transportation Materials	71.3	67.6	72.6	113.9
Intermediate Goods:				
- Industry -	84.0	96.9	103.3	107.1
Intermediate Goods:				
- Construction -	60.4	68.2	81.1	98.3

Source: Sociedad de Fomento Fabril (SOFOPA)
(National Manufacturers' Association)

TABLE 8

INDEX OF AVERAGE LABOR PRODUCTIVITY IN INDUSTRY

(Base 1974 = 100)

1.- Food, Beverages & Tobacco	94.8	109.2	116.2	129.1
2.- Textiles, Clothing, Leather Shoes	81.3	89.7	100.6	115.1
3.- Wood & Furniture	76.2	125.0	134.8	139.1
4.- Paper, Printing & Publishing	81.0	89.4	105.8	105.5
5.- Chemicals & Chemical Products	65.0	88.1	92.5	101.1
6.- Non-metallic Mineral Products	56.0	77.1	98.1	111.9
7.- Basic Metallic Industries	94.2	115.3	129.3	144.1
8.- Machinery & Equipment, Metallic Industries	75.2	78.8	95.9	125.7
Total Manufacturing Industry	84.5	102.4	112.4	124.0
Annual Variation	(15.5%)	21.2%	9.8%	10.3%

Source: Informe Económico No. 59, April 1979
 Banco Hipotecario y de Fomento de Chile
 (Mortgage & Development Bank of Chile)

TABLE 9

AGRICULTURAL EXPORTS BY CATEGORY

(in thousands of US\$ of each year)

Agricultural Sector	116,087.8	118,540.7	176,816.7	205,869.3
Garden Vegetables	4,580.2	13,176.1	28,101.7	14,302.2
Legumes	11,121.4	8,725.6	23,854.5	31,540.3
Cereals	10,072.6	14,214.0	20,305.1	16,502.6
Fruit	49,441.1	71,368.3	74,242.9	121,966.8
Industrial Crops	40,706.3	8,979.1	28,459.0	19,787.8
Fodder	82.7	1,152.7	1,828.5	1,750.2
Flowers and Plant Parts	83.5	924.9	25.0	19.4
U.S. CPI	100.0	105.8	112.6	121.2

Source: Office of Agricultural Planning

TABLE 10

EXPORTS OF FISH AND FISH PRODUCTS

(in millions of US\$ of each year)

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
Fish Meal	29.2	61.6	86.5	105.8
Canned and Frozen Fish	13.9	22.8	32.9	37.2
Fresh Fish	6.0	6.9	8.5	15.6
	<u>49.1</u>	<u>90.8</u>	<u>127.9</u>	<u>158.6</u>
TOTAL Fish and Fish Products				
U.S. CPI	100.0	105.8	112.6	121.2

Source: Central Bank

TRADE SUMMARY - EXPORTS

(In million of US\$)

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
<u>Traditional</u>				
- Copper				
Large Mines	\$ 719.5	\$ 1,054.3	\$ 994.4	\$ 1,006.8
Small and Medium-Sized Mines	170.9	192.2	193.0	194.7
Total Copper	\$ 890.4	\$ 1,246.5	\$1,187.4	\$ 1,201.5
- Iron	\$ 90.9	\$ 86.3	\$ 81.5	\$ 79.6
- Nitrate & Iodine	55.2	41.3	39.8	46.8
- Molybdenum	30.3	46.1	53.6	47.3
- Fishmeal	29.2	61.1	86.5	105.8
- Paper	25.8	33.1	33.6	28.1
- Cellulose	57.9	88.3	85.5	116.1
- Cardboard	7.6	8.9	9.8	9.9
Total Traditional	\$ 1,187.3	\$ 1,611.6	\$1,577.7	\$ 1,635.1
<u>Non-Traditional</u>				
- Agric. & Sea Products:				
Agricultural	\$ 59.7	\$ 86.2	\$ 126.6	\$ 157.7
Livestock Derivatives	16.7	24.8	23.2	27.8
Forestry	3.7	1.0	1.2	2.4
Fish	6.0	6.9	8.5	15.6
Total Agricultural and Sea Products	\$ 86.1	\$ 118.9	\$ 159.5	\$ 203.5
<u>Industrial:</u>				
- Food	\$ 72.6	\$ 48.9	\$ 82.6	\$ 80.2
- Beverages	3.9	7.0	7.9	9.8
- Wood	25.2	29.3	70.4	94.4
- Printing & Paper Prod.	2.4	5.6	5.5	5.0
- Chemical Products and Petroleum Derivaties	46.4	64.6	77.9	106.2
- Basic Metallic Industries	58.6	94.9	103.2	143.4
- Mechanical Metal Prod. and Electronic Devices	42.4	52.6	36.6	56.5
- Transportation Materials	7.0	4.9	11.3	8.1
- Other Manufactures	11.6	20.9	16.8	18.5
Total Industrial	\$ 270.1	\$ 328.7	\$ 412.2	\$ 522.1
<u>Mining:</u>				
Total Non-Traditional	\$ 8.6	\$ 23.4	\$ 40.9	\$ 47.1
Total Non-Traditional	\$ 364.8	\$ 471.0	\$ 612.6	\$ 772.7
Total General Exports	\$ 1,552.1	\$ 2,082.6	\$2,190.3	\$ 2,407.8

Source: Central Bank of Chile

TRADE SUMMARY - IMPORTS

(In million of US\$)

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
<u>Consumer Goods</u>				
- Agricultural	\$ 11.5	\$ 8.9	13.1	18.7
- Automobiles	--	--	--	40.8
- Industrial Food	13.9	39.2	89.4	113.5
Sub-Total	\$ 25.4	\$ 48.1	\$ 102.5	\$ 173.0
- Industrial Non-Food:				
Pharmaceuticals and				
Medicines	\$ 15.7	\$ 17.7	\$ 23.6	\$ 42.4
Tools	9.4	10.2	13.6	21.0
Other	33.3	78.1	226.6	359.5
Total Industrial				
Non-Food	\$ 58.4	\$ 106.0	\$ 263.7	\$ 422.9
Total Consumer Goods	\$ 83.8	\$ 154.0	\$ 366.2	\$ 595.9
<u>Capital Goods</u>				
- Machinery & Equipment	\$ 217.2	\$ 237.9	\$ 321.9	\$ 367.6
- Transportation Equip.	164.9	171.9	260.6	283.3
- Breeding Animals	.2	.9	2.7	2.4
Total Capital Goods	\$ 382.3	\$ 410.7	\$ 585.2	\$ 653.3
<u>Intermediate Goods</u>				
- Agricultural Raw				
Materials:				
Food	\$ 222.2	\$ 200.8	\$ 96.2	\$ 226.3
Non-Food	18.3	45.9	58.6	56.3
Total Agric. Raw Matr.	\$ 240.5	\$ 246.7	\$ 154.8	\$ 282.7
- Industrial Raw				
Materials:				
Food	\$ 69.8	\$ 74.2	\$ 121.5	\$ 83.0
Non-Food	118.8	189.9	236.1	324.0
Total Industrial				
Raw Materials	\$ 188.6	\$ 264.1	\$ 357.6	\$ 407.0
- Industrial Intermediate				
Goods	76.7	102.7	178.2	277.5
- Mach. & Equip. Parts	\$ 91.8	\$ 85.6	\$ 95.8	\$ 160.9
- Transportation				
Equipment Parts	15.7	18.1	31.2	66.7
Total Parts	\$ 107.5	\$ 103.7	\$ 127.0	\$ 227.7
- Fuel & Lubricants	257.0	391.7	446.2	480.0
- Parts for Assembly	1.5	10.1	44.4	78.4
- Imports According to				
Decree Law 110	.2	--	--	--
Total Intermediate				
Goods	\$ 872.1	\$1,119.0	\$1,308.3	\$1,753.2
Total General Imports	\$1,338.2	\$1,683.8	\$2,259.7	\$3,002.4

Source: Central Bank of Chile

BALANCE OF PAYMENTS

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
Current Account	(491.3)	148.0	(399.0)	(730.0)
Trade Balance	(153.9)	454.0	(67.0)	(437.0)
Exports	1,553.9	2,109.0	2,177.0	2,480.0
Imports	1,707.8	1,655.0	2,244.0	2,917.0
Non-monetary Gold	35.6	7.0	9.0	11.0
Merchandise Services	25.5	48.0	114.0	116.0
Capital Services	(284.2)	(326.0)	(362.0)	(463.0)
Public Sector Transactions	(87.7)	(79.0)	(87.0)	(87.0)
Private Sector Transactions	(36.6)	16.0	(56.0)	23.0
Total Goods and Services Balance	(501.3)	120.0	(449.0)	(787.0)
Unilateral Transfers	10.0	28.0	50.0	57.0
Capital Account:				
Autonomous	298.7	234.0	346.0	1,351.0
Compensatory	274.6	(455.0)	7.0	(617.0)
Errors and Omissions	(82.0)	73.0	46.0	(4.0)
Balance of Payments	(274.6)	455.0	(7.0)	617.0

Note: 1976, 1977, and 1978
are estimates.

Source: Central Bank

TABLE 14

FOREIGN DEBT

(In US\$ Millions as of December 31)

Total External Debt

1975	5,263
1976	5,195
1977	5,434
1978	6,911

Outstanding Public Debt (Direct and Indirect)

1975	3,787
1976	3,654
1977	3,673
1978	4,494

Source: Central Bank

BASIC DATA

Territory

Total Area	2,006,626 Km ²
- Continental and Insular Area	756,626 Km ²
- Antartic Area	1,250,000 Km ²
Agricultural Land Potential:	25,460 thousand ha.
- Arable	1,543 thousand ha.
- Pastures	13,101 thousand ha.
- Forest	8,077 thousand ha.
- Reserves	2,739 thousand ha.

Demography (as of December 1978)

Population:

- Nation (June 30, 1979)	10,917,465
- Greater Santiago (June 30, 1979)	4,167,037

Labor Force:

- Nation	3,507.6 thousand
- Greater Santiago	1,484.7 thousand

Annual Growth Rates:

- Population Nation	1.48%
- Population Greater Santiago	3.8 %
- Labor Force - Nation	12.3 %
- Labor Force - Greater Santiago	13.4 %

Mortality Rates:

Overall	6.8 per thousand
Infant	39.7 per thousand
Life Expectancy - Country	64.4 years

Education

Literacy Rate:

- Country	90.%
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Enrollment (in thousands):

- Pre-school	157
- Primary Level (8 years)	2,130
- Secondary and Vocational Level.	609

Economy - 1978

Gross Domestic Product:

- Total	US\$ 11,099 million
- Per Capita	US\$ 1,016.7

Annual Growth Rates:

- GDP 1961 - 1977 (average)	3.28%
- GDP Per Capita (average)	1.22%
- GDP 1978	7.3 %
- GDP Per Capita 1978	5.7 %

Inflation Rates:

- Consumer Prices:

May 1978 - May 1979 30.2%

May 1977 - May 1978 42.2%

- Wholesale Prices:

May 1978 - May 1979 38.9%

May 1977 - May 1978 41.6%

Unemployment Rates:

- Nation (December 1978) 12.5%

- Greater Santiago (Dec. 1978) 13.7%

- Nation (December 1977) 12.7%

- Greater Santiago (Dec. 1977) 11.5%

External Sector (1978 US\$ M.):

- Exports 2,407.8

Copper 1,201.5

Non-Copper 1,206.3

- Imports 2,917.0

- Balance of Payments - Surplus 617.0

- Total Outstanding Debt 6,911.0

- Exchange Rate (Average 1978) Ch\$ 31.67 per US\$

<u>Energy</u>	<u>Production</u>	<u>Potential</u>
Crude Oil (1978)	999 thousand m ³	2,850.0 thou. m ³
Imported Oil	4,311 thousand m ³	- -
Electricity (1977)		
- Total	9,776.5 million kWh	2,905.3 thou. kW
- Thermal	3,274.2 million kWh	1,431.5 thou. kW
- Hydroelectric	6,502.3 million kWh	1,473.8 thou. kW
Coal (1977)	1,342.0 thou. tons	2,180.0 million Petro-equivalent barrels - 1979 Preliminary estimate
Natural Gas (1978)	6,167 million m ³	400 million Petro-equivalent barrels - 1979 Preliminary estimate

Transportation Facilities

Land:

- Roads	Pan American Highway from Arica to Quellón (Chiloé Island) 1979	3,393.0 Km
	Paved Roads (1977)	9,248.9 Km
- Railroads (1977)		
	Track Network	11,200 Km
	Locomotives	696
	Passenger Coaches	918
	Cargo Cars	10,500

Air:

Airports

- Total	268
- International	6

Sea:

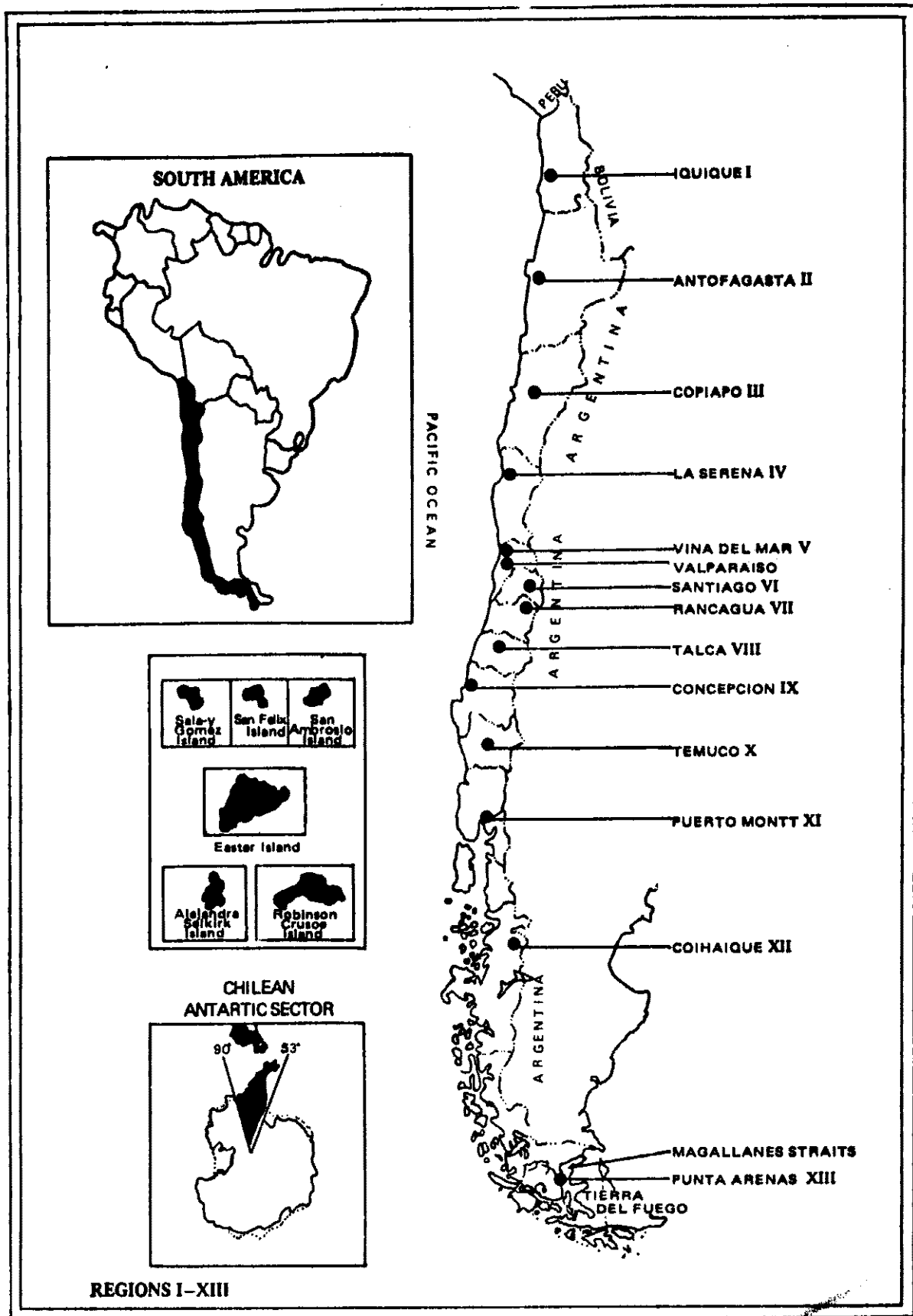
Major Ports (in order of size, linear meters of piers):

- Valparaiso	2,000
- Antofagasta	1,605
- San Antonio	1,299
- Iquique	1,084
- Arica	1,024
- Punta Arenas	745
- San Vicente	440
- Talcahuano	380
- Coquimbo	372

Chilean Merchant Marine (1979):

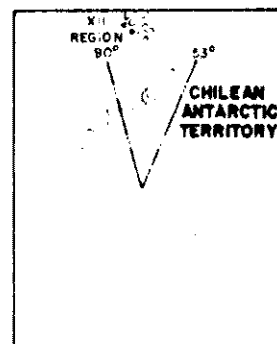
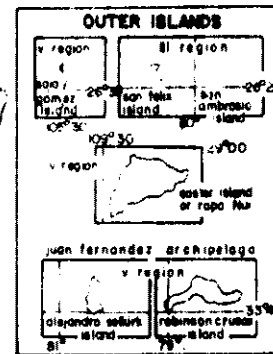
- Number of Ships	58
- Deadweight Tonnage	823,218 TDW

Source: Compiled by CORFO - New York



CHILE'S
GEOGRAPHIC -
POLITICAL DIVISION

REGIONS	CAPITALS	PROVINCES	CAPITALS
I	IQUIQUE	ARICA IQUIQUE	Arica Iquique
II	ANTOFAGASTA	TOCOPILLA ANTOFAGASTA EL LEO	Tocopilla Antofagasta Colama
III	COPIAPO	CHANARAL COPIAPO HIVASCO	Chanaral (1) Copiapo Valdivia
IV	LA SERENA	ELQUI LA MARI CHOAPA	La Serena Ovalle Illapel
V	VALPARAISO	VALPARAISO SAN ANTONIO QUILLOTA PEYONCA SAN FELIPE LOS ANDES EASTER ISLAND	Valparaiso San Antonio Quillota La Ligua San Felipe Los Andes Hanga Roa
VI	RANCAGUA	CACHAPOAL COLCHAGUA	Rancagua San Fernando
VII	TALCA	CURICO LINARES TALCA	Curico Linares Talca
VIII	CONCEPCION	BIBILE CONCEPCION ARAUCO RIO BIO	Chillon Concepcion Lapu (2) Los Angeles
IX	TEMUCO	MALLECO CAUTIN	Angol Temuco
X	PUERTO MONTT	VALDIVIA OSORNO LLANQUIHUE CHILDE	Valdivia Osorno Puerto Montt Castro
XI	COINAIQUE	AISEN GENERAL CARRERA CAPITAN PRAY	Puerto Aisen Chas Chico Cochrane (3)
XII MAGALLANES AND CHILEAN ANTARCTIC TERRITORY	PUNTA ARENAS	PUERTO NATALES MAGALLANES TIERRA DEL FUEGO CHILEAN ANTARCTIC TERRITORY	Puerto Natales Punta Arenas Porvenir Puerto Williams



(1) in 1964 will be Puerto Huidobro
(2) in 1981 will be Chonchi
(3) in 1981 will be

NOTA: *BAZADO DE LIMITE INTERNACIONAL NO OFICIAL

DIBUJO: J. P. Martinez - febrero - 1979

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UNITED STATES DEPARTMENT OF JUSTICE
REGISTRATION UNIT
CRIMINAL DIVISION
WASHINGTON, D. C. 20530

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CRIMINAL DIVISION

NOTICE

Please answer the following questions and return this sheet in triplicate with your supplemental statement:

1. Is your answer to Item 16 of Section V (Political Propaganda - page 7 of Form OBD-64 - Supplemental Statement):

Yes X or No _____

(If your answer to question 1 is "yes" do not answer question 2 of this form.)

2. Do you disseminate any material in connection with your registration:

Yes _____ or No _____

(If your answer to question 2 is "yes" please forward for our review copies of all such material including: films, film catalogs, posters, brochures, press releases, etc. which you have disseminated during the past six months.)

Martin Laborde
Signature
Martín Laborde

May 14, 1980
Date

Please type or print name of
signatory on the line above

Vice President
Title